

Introduced by Senators Florez and Escutia

December 15, 2004

An act to add Section 84512 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 36, as introduced, Florez. Political Reform Act of 1974: disclosure.

Under existing law, the Political Reform Act of 1974, committees are required to file statements of organization and periodic campaign statements relating to receipts and expenditures, are required to maintain records, have specified notification obligations to contributors and others, and must comply with related provisions.

This bill would require a nonprofit organization that is exempt from taxation under Section 501(c)(4) of the Internal Revenue Code to comply with these filing and related requirements if it makes expenditures of \$1,000 or more in a calendar year for advertisement that clearly identifies a candidate for elective state office without expressly advocating election or defeat of the candidate, and that it knows or should know is likely to influence public opinion concerning the candidate. It would impose similar filing and disclosure requirements on these nonprofit organizations that make similar advertisement expenditures concerning one or more identifiable ballot measures, as specified.

Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing potential criminal penalties on persons who violate the provisions of this bill, and by requiring local entities to receive and handle certain of the newly mandated reports.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further its purposes with a $\frac{2}{3}$ vote of each house and compliance with certain specified procedural requirements.

The bill would declare that it furthers the purpose of the act and would therefore require a $\frac{2}{3}$ vote.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 84512 is added to the Government
2 Code, to read:

3 84512. Any nonprofit organization that is exempt from
4 taxation under Section 501(c)(4) of the Internal Revenue Code
5 shall comply with all filing, notification, recordkeeping, and
6 other obligations imposed by this act on a committee as defined
7 by subdivision (a) of Section 82013 if it does any of the
8 following:

9 (a) Makes expenditures of one thousand dollars (\$1,000) or
10 more in a calendar year for advertisement that clearly identifies a
11 candidate for elective state office, but does not expressly
12 advocate the election or defeat of the candidate, and that it knows
13 or should know is likely to influence public opinion concerning
14 the candidate.

15 (b) Makes expenditures of one thousand dollars (\$1,000) or
16 more in a calendar year for advertisement that it knows or should
17 know is likely to influence public opinion concerning one or
18 more identifiable ballot measures.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 3. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CORRECTIONS:

Heading page 1